



CURRENCY

Committee on Financial Services

Michael G. Oxley, Chairman

For Immediate Release:
Tuesday, July 17, 2001

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Roukema Subcommittee to Address National Flood Insurance Program

The House Financial Services Housing Subcommittee, chaired by U.S. Rep. Marge Roukema (NJ), will hold a hearing at 10 a.m. July 19 in 2128 Rayburn to discuss the National Flood Insurance Program (NFIP) and repetitive flood losses.

"I know from our experience in New Jersey where we have suffered catastrophic losses due to floods including Hurricane Floyd that we must reform our current flood insurance program to protect families, businesses and taxpayers. It doesn't make sense to pay to rebuild the same property over and over, year after year," Rep. Roukema said. "I am hopeful that this hearing will help us understand the complexities of this program and aid us in moving forward with reform legislation, making it possible for more families to escape periodic flooding of their homes."

Congress developed the National Flood Insurance Program in 1968 to provide insurance to consumers who owned houses in high-risk flood areas. Today, the program is administered by the Federal Emergency Management Agency (FEMA) and available in more than 19,700 communities nationwide.

Since 1974, the NFIP has required that new homes built in areas of flood risk must meet certain flood mitigation requirements. However, homes built before 1974 are not subject to these requirements and have been much more likely to flood than newer homes. FEMA labels many of these old homes as "repetitive loss properties" that cost the federal government more than \$80 million annually. The government often repairs or rebuilds many of these homes at considerable cost, only to see them flooded again in subsequent years.

In its FY 2002 budget proposal, the Administration took steps to reduce the cost of NFIP to the federal government by providing "repetitive loss" policyholders with one more

claim before canceling their policies. The Subcommittee will examine this proposal, along with two pieces of legislation: H.R. 1428, sponsored by Congressman Doug Bereuter (NE), and H.R. 1551 sponsored by Representative Ken Bensten (TX). The differing approaches provide varying levels of flood assistance while taking greater steps to prevent future flood losses.

"Floods can devastate a community without warning. It's crucial to protect the victims of these natural disasters while assuring the taxpayers that their money is efficiently spent," said Financial Services Committee Chairman Michael G. Oxley.

Scheduled to testify are:

Panel I

- U.S. Rep. Doug Bereuter (NE)
- U.S. Rep. Richard Baker (LA)
- U.S. Rep. Ken Bentsen (TX)
- U.S. Rep. Earl Blumenauer (OR)

Panel II

- Bob Shea, Acting Director, Flood Insurance Administration and Mitigation Directorate, FEMA
- Stan Czerwinski, Director for Physical Infrastructure, U.S. General Accounting Office
- David Shipley, Executive Director, Ohio Emergency Management Agency
- Rebecca Quinn, Legislative Officer, Association of State Floodplain Managers, Inc.

Panel III

- Timothy Richards, President, New Jersey Association of Realtors
- Fletcher J. Willey, Government Affairs Committee, Independent Insurance Agents of America
- David Conrad, Water Resources Specialist, Office of Federal and International Affairs, National Wildlife Federation

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